



London N. Breed,
Mayor

Jenny Louie,
Chief Financial Officer

MEMORANDUM

To: President Dan Bernal and Honorable Members of the Health Commission

Through: Dr. Grant Colfax, Director of Health
Greg Wagner, Chief Operating Officer

From: Jenny Louie, Chief Financial Officer

Date: June 1, 2022

On June 1, Mayor Breed submitted her Proposed Budget for FY 2022-2023 and FY 2023-2024. Overall, DPH's budget for the upcoming fiscal years is \$2,999,143,114 for FY 2022-23 and \$2,995,427,496 for FY 2023-24 which represents approximately \$175 million in growth compared to the current fiscal year. In addition to the initiatives proposed and approved by the Commission in February, the Mayor's Budget includes increases in personnel costs with a 5.25% wage increase in FY 2022-23 and a phased increase over the course of the second year for City employees. This budget includes all of the proposal that the Health Commission recommended at its February meeting. In addition, the Mayor's proposed budget includes the following initiatives:

- Continuing COVID-19 Response
- Expanding HIV Prevention and Getting to Zero
- Continuing Tenderloin Center Operations
- Language Accessible Services for Victims of Violence
- Complying with Rent Contribution Standard Legislation
- Supporting Community Based Organizations through a Costs of Doing Business
- Moving, IT and Equipment needs related to Capital Projects
- Additional one-time and baseline revenues

COVID-19 Response

The Mayor's budget continues the step down of the department's COVID response functions over the two year budget, building on prior year efforts in vaccination, surveillance and public education that have positioned San Francisco to respond effectively to COVID-19. The department will retain baseline level of ongoing COVID Task Force functions and infrastructure to monitor, communicate and address changes to the pandemic. The Mayor's budget funds \$57.3 million of continued costs in FY 2022-23, reducing to \$25 million in FY 2023-24 for COVID Task Force functions and operating costs for San Francisco Health Network (SFHN) divisions are summarized below.

COVID Response	FY 2022-23
Testing	12,290,000
Vaccination	7,520,000
Isolation & Quarantine	2,880,000
Shelter in Place Hotels	330,000
CoVid Disease Response & Resources	1,760,000
Community & Equity	2,800,000
Epidemiology & Surveillance	960,000
Information & Guidance	800,000
Task Force	7,900,000
COVID-19 Response Subtotal	37,240,000
SFHN Operating Functions	FY 2022-23
Ambulatory Care	3,930,000
Laguna Operational Support	4,840,000
ZSFG Operational Support	11,280,000
DPH Operations	20,050,000
Total COVID Investments	57,290,000

Funds are appropriated for FY 2023-24, but a detailed program for the use of those funds will be developed during the next budget cycle.

COVID Task Force Functions - \$37.2 million

Testing – \$12.3 million to maintain current testing levels of approximately 3,500 tests per week for the first half of the year reducing to approximately 2,000 tests per week in the second half the of the year with the anticipated closure of the Alemany testing site by the third quarter of FY 2022-23. Community and pop-up sites remain a priority of the department’s response and are maintained throughout the year with a focus on vulnerable communities.

Vaccinations – \$7.5 million maintains baseline levels of approximately 2,350 vaccines per week to meet expected demand and to meet and maintain city-wide and population-specific equity vaccine targets. Supports priority neighborhoods to close equity gaps and hold pop-up and mobile events at schools and support for people who are homebound and People Experiencing Homelessness (PEH).

COVID Disease Response Unit – \$1.8 million to provide clinical consultation and other technical assistance to help facilities ensure compliance with federal and state guidelines, respond to COVID outbreaks in facilities from priority areas (skilled nursing and residential care facilities, schools, shelters, and jails), and limited case investigation and case monitoring consistent with the diseases transition to endemic status.

Isolation and Quarantine Hotels – \$2.9 million to support hotel room vouchers for an average of 3 guests daily as well as staffing for coordination and roving clinical support.

Epidemiology and Surveillance – \$1.0 million to provides core COVID epidemiology and surveillance functions and reporting. This work is the backbone of the City's data-informed responsiveness to COVID-19 and addresses all key data needs for all levels of leadership including DPH, Task Force and the City.

Community Engagement and Equity – \$2.8 million to support efforts that prioritize populations and settings most impacted by COVID in neighborhoods with the most health disparities. The Mayor's budget does not continue \$25.7 million in one-time funding for COVID-19 and community recovery CBO services that were included as part of the FY 2021-22 DPH COVID-19 response which was supported in part with expiring federal funding sources. The department will continue to work with the Mayor's Office and community stakeholders to identify unspent prior year funding or other opportunities to mitigate the impacts of the expired funding on services and CBOs.

Shelter in Place Hotels – \$0.3 million to continue providing services on site for existing hotels through September 30, 2022. After September, the Department of Homelessness and Supportive Housing plans to decommission these sites, transfer clients to permanent supportive housing and convert the facilities to congregate shelter sites.

Task Force and Logistics – \$7.9 million to maintain Task Force Leadership and central functions including information and guidance. In addition, funding to support logistics and operating functions including finance and cost recovery, human resources, and supply management.

San Francisco Health Network Operating Costs Due to COVID-19 - \$20 million

Outside of the Task Force response, the San Francisco Health Network (SFHN) will also receive continuing investments, recognizing that healthcare operations have significantly changed as a result of the COVID-19. The following costs will be included as part of the divisions' regular operating budgets.

Zuckerberg San Francisco General (ZSFG) – \$11.6 million for additional staffing to maintain hospital capacity in general and in the following key areas: the Monoclonal Antibodies Clinic to support treatment of COVID positive patients; Occupational Health Clinic with regular surveillance management and support for all DPH staff who may be exposed or test positive; and a testing and vaccine site for DPH staff and SFHN patients.

Laguna Honda Hospital (LHH) – \$4.8 million to support additional COVID protocols. Staffing includes support in the areas of outbreak management, infection control, testing for patients and staff, security and enhanced sanitation requirements.

Ambulatory Care - \$3.9 million for additional staff to support vaccinations and increased staffing for call center support to consult on the use of therapeutics for SFHN clients.

As in prior years, the department will monitor current conditions and work closely with the Mayor and Controller's Office to adjust services to effectively address the pandemic over the course of the upcoming year.

HIV Prevention And Getting to Zero

The Mayor's Budget includes an additional \$3 million dollars annually to support the City's "Getting to Zero" initiatives and goal of having no new HIV infections, HIV related deaths, and eliminating stigma by ensuring that all San Franciscans have equitable access to high quality prevention, care, and treatment services. To achieve these goals resources must focus on those most affected by disproportionate levels of HIV, Hepatitis C, and sexually transmitted infections. This group includes Black/African Americans, Latinx, Asian and Pacific Islanders, gay men and other men who have sex with men, trans women, people who use drugs, and youth/young adults. In partnership with the community, DPH is funding "Health Access Points," that are population-focused one-stop networks, that will provide low barrier access to comprehensive whole person care and address the social determinants of health that create barriers to HIV, Hepatitis C, and sexually transmitted infections.

Continuing Services at the Tenderloin Center

The Mayor's Office continues the services at the Tenderloin Center which began in January of 2022 for an additional six months in FY 2022-23 through the use of one-time savings in Proposition C/Our City, Our Home funding. The Tenderloin Center is a pilot program for unhoused people who are at risk for overdose death. The Department of Public Health will use this time to continue to evaluate the model and determine the long-term plan for the critical services the center is currently providing to the community. DPH will take over the day to day oversight of the Center while still maintaining the collaboration with other city departments to provide services including the Department of Homelessness and Supportive Housing, Adult Probation and Human Services Agency. Total spending for this Center that sees 400-500 unduplicated clients a day is expected to be \$10.6 million for six months. The Mayor's budget makes no substantive changes to the original Prop C spending plan approved as part of last year's budget.

Funding to Comply with Rent Contribution Legislation

The Board of Supervisors implemented Rent Contribution Standards for residents in permanent supportive housing limiting their contribution to no more than 30% of their monthly household income. To maintain service levels, the Mayor's budget includes \$500,000 for Permanent Supportive Housing operators to offset the reduced contribution from some residents.

Expanding Language Capabilities for Victims of Violence

The UCSF Trauma Recovery Center, located near the ZSFG Campus, provides respectful, compassionate, and effective mental health and support services for adult survivors of interpersonal violence and traumatic loss. The Mayor's budget funds \$240,000 for a dedicated Cantonese speaking clinician for monolingual or limited English proficient victims of crimes in SF and provision of training to community-based providers of mental health services for the Asian population. An additional \$160,000 provides for dedicated clinical staff, also bilingual Cantonese-speaking, at community-based mental health service providers that serve the Asian population, with support from the TRC upon request.

Supporting Community Based Organizations through a Costs of Doing Business

The Mayor's proposed budget recognizes the integral role that nonprofit providers play in administering City services. The proposed budget makes a significant investment in the wages of nonprofit workers, providing sufficient funding to give workers the same 5.25% percent wage increase provided to City employees for next fiscal year, an ongoing cost of approximately \$21 million per year. For DPH, this increase will cost approximately \$10.7 million annually.

Moving, IT and Equipment needs related to Capital Projects

DPH is continually renewing its facilities. While most of the capital construction costs are financed through tools such as bonds, there are additional cost related to major capital projects that do not qualify for such financing such as moving costs, furniture, equipment and information technology infrastructure. The Mayor's Budget funds these costs for an array of capital projects and facility acquisitions by the Department of Public Health, with \$4.9 million in FY 2022-23 and \$12.5 million in FY 2023-24.

Projects	FY 22-23	FY23-24
New Behavioral Health Facility funded through Health and Recovery 2020 (Prop. A)	\$ 500,000	\$ 2,000,000
ZSFG Psychiatric Emergency Service Renovation (new) funded through Health and Recovery 2020	\$ -	\$ 900,000
Chinatown Health Clinic (new) funded through Public Health 2023	\$ 400,000	\$ 1,700,000
Silver Avenue Health Clinic (new) funded through Public Health 2023	\$ 300,000	\$ -
City Clinic Relocation funded through Public Health 2023	\$ -	\$ 100,000
ZSFG Building 3 Retrofit funded through Public Health 2023	\$ 300,000	\$ 1,000,000
ZSFG Building 5 Main Hospital funded through 2016 Public Health and Safety	\$ 3,000,000	\$ 5,800,000
Civic Center Relocation funded with COP	\$ 400,000	\$ 1,000,000
	\$ 4,900,000	\$ 12,500,000

Additional one-time and baseline revenues

In addition to the initiatives above, the Mayor's budget includes additional revenues for ZSFG and Behavioral Health based on updated state and federal guidance and the departments third quarter revenue projections.

ZSFG Baseline Revenues \$53 million FY 2022-23 and \$10 million in FY 23-24

- \$38 million prior year settlements for Safely Net Care Pool/Medi-Cal waiver settlements
- \$5 million for temporary increases based on continued FMAP through September 2022
- \$10 million ongoing increases in Global Payment and Patient Revenue

Behavioral Health \$15 million FY 2022-23 and \$5 million in FY 23-24

- Increases based on Short-Doyle Medi-Cal Revenue projection and trends.
- Reduced revenue in year two of the budget due to potential changes under Cal-AIM.

The Mayor's Proposed Budget now moves to the Board of Supervisors for review and have begun working with the Budget and Legislative Analyst on their budget review. We have two hearings tentatively scheduled for June 16th and June 22nd. We will keep you informed of any changes that take place and will provide you a final update on the budget in August.